

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ZOHAR III, CORP., *et al.*,¹

Debtors.

Chapter 11

Case No. 18-10512 (KBO)

Jointly Administered

LYNN TILTON, PATRIARCH PARTNERS
VIII, LLC, PATRIARCH PARTNERS XIV,
LLC, PATRIARCH PARTNERS XV, LLC,
OCTALUNA, LLC; OCTALUNA II, LLC,
AND OCTALUNA III, LLC,

Plaintiffs,

v.

Adv. Pro. No. 19-50390

MBIA INC., MBIA INSURANCE
CORPORATION, U.S. BANK, N.A.,
ALVAREZ & MARSAL ZOHAR
MANAGEMENT, CREDIT VALUE
PARTNERS, LP, BARDIN HILL
INVESTMENT PARTNERS F/K/A
HALCYON CAPITAL MANAGEMENT LP,
COÖPERATIEVE RABOBANK U.A.,
VÄRDE PARTNERS, INC., ASCENSION
ALPHA FUND LLC, ASCENSION HEALTH
MASTER PENSION TRUST, CAZ
HALCYON OFFSHORE STRATEGIC
OPPORTUNITIES FUND, L.P., BROWN
UNIVERSITY, HCN LP, HALCYON
EVERSOURCE CREDIT LLC, HLF LP,
HLDR FUND I NUS LP, HLDR I TE LP,
HLDR FUND I UST LP, HALCYON
VALLÉE BLANCHE MASTER FUND LP,
BARDIN HILL EVENT-DRIVEN MASTER
FUND LP, PRAETOR FUND I, A SUB
FUND OF PRAETORIUM FUND I ICAV,
HIRTLE CALLAGHAN TOTAL RETURN
OFFSHORE FUND LIMITED, HIRTLE
CALLAGHAN TOTAL RETURN

¹ The Debtors, and, where applicable, the last four digits of their taxpayer identification number are as follows: Zohar III, Corp. (9612), Zohar II 2005-1, Corp. (4059), Zohar CDO 2003-1, Corp. (3724), Zohar III, Limited (9261), Zohar II 2005-1, Limited (8297), and Zohar CDO 2003-1, Limited (5119). The Debtors' address is c/o FTI Consulting, Inc., 1166 Avenue of the Americas, 15th Floor, New York, NY 10036.

OFFSHORE FUND II LIMITED, HIRTLE
CALLAGHAN TRADING PARTNERS, L.P.,
AND THIRD SERIES OF HDML FUND I
LLC,

Defendants.

ZOHAR CDO 2003-1, LIMITED; ZOHAR II
2005-1, LIMITED; and ZOHAR III,
LIMITED; ZOHAR II 2005-1, CORP.;

Plaintiffs,

v.

Adv. Pro. No. 20-50534

PATRIARCH PARTNERS, LLC;
PATRIARCH PARTNERS VIII, LLC;
PATRIARCH PARTNERS XIV, LLC;
PATRIARCH PARTNERS XV, LLC;
PHOENIX VIII, LLC; OCTALUNA LLC;
OCTALUNA II LLC; OCTALUNA III LLC;
ARK II CLO 2001-1, LLC; ARK
INVESTMENT PARTNERS II, LP; ARK
ANGELS VII, LLC; PATRIARCH
PARTNERS MANAGEMENT GROUP, LLC;
PATRIARCH PARTNERS AGENCY
SERVICES, LLC; and LYNN TILTON,

Defendants, and

180S, INC.; BLACK MOUNTAIN DOORS,
LLC; CROSCILL HOME, LLC; DURO
TEXTILES, LLC; GLOBAL AUTOMOTIVE
SYSTEMS, LLC; HERITAGE AVIATION,
LTD.; INTREPID U.S.A., INC.; IMG
HOLDINGS, INC.; JEWEL OF JANE, LLC;
MOBILE ARMORED VEHICLES, LLC;
SCAN-OPTICS, LLC; SILVERACK, LLC;
STILA STYLES, LLC; SNELLING
STAFFING, LLC; VULCAN
ENGINEERING, INC; and XPIENT
SOLUTIONS, LLC,

Nominal Defendants.

**NOTICE OF AGENDA OF MATTERS SCHEDULED
FOR HEARING ON FEBRUARY 25, 2022 AT 2:00 P.M. (ET)**

**THIS HEARING WILL BE CONDUCTED ENTIRELY OVER ZOOM
AND REQUIRES ALL PARTICIPANTS TO REGISTER IN ADVANCE.
COURTCALL WILL NOT BE USED TO DIAL IN.**

Please use the following link to register for this hearing:

<https://debuscourts.zoomgov.com/meeting/register/vJItcOCoqTwjHTkHW3xpf5X5br4t3s81jD8>

**AFTER REGISTERING YOUR APPEARANCE BY ZOOM, YOU WILL RECEIVE A
CONFIRMATION EMAIL CONTAINING INFORMATION ABOUT JOINING THE HEARING**

SCHEDULING CONFERENCE

1. Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and Its Affiliated Debtors [[D.I. 3059](#)/Adv. Case No. 19-50390 D.I. 174; 2/8/22]

Related Documents:

- A. Notice of Filing of Revised Proposed Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and Its Affiliated Debtors [[D.I. 3077](#); 2/17/22]
- B. Order Granting Defendants MBIA Inc.'s and MBIA Insurance Corporations Motion for Leave to File Late Reply [[D.I. 3093](#)/Adv. Case No. 19-50390 D.I. 197; 2/18/22]

Response Deadline: February 15, 2022 at 4:00 p.m. (ET)

Responses Received:

- C. Limited Objection and Reservation of Rights of U.S. Bank National Association to the Debtors' Motion for an Order Establishing A Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation for the Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and its Affiliated Debtors [[D.I. 3071](#)/Adv. Case No 19-50390 D.I. 182; 2/15/22]
- D. Patriarch Stakeholders' Objection to Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection With the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and its Affiliated Debtors [[D.I. 3072](#)/Adv. Case No. 19-50390 D.I. 183; 2/15/22]

- E. Statement and Reservation of Rights of Alvarez & Marsal Zohar Management Regarding Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and Its Affiliated Debtors [Adv. Case No. 19-50390 [D.I. 184](#); 2/15/22]
- F. Statement of Defendants MBIA Inc. and MBIA Insurance Corporation in Reply to the Patriarch Stakeholders' Objection to the Debtors' Motion for an Order Establishing a Schedule and Certain Protocols in Connection with the Pending Equitable Subordination Proceeding, the Patriarch Administrative Claim, and Confirmation of the Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code for Zohar III, Corp. and Its Affiliated Debtors [[D.I. 3083](#)/Adv. Case No. 19-50390 D.I. 187; 2/17/22]

Status: This matter is going forward as a scheduling conference with respect to the Debtors' objection to Patriarch's request for administrative expense claim [Docket No. 3041], as well as to discuss scheduling arrangements reached by the parties concerning the other litigations.

MATTER GOING FORWARD

- 2. Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 131; 10/15/21; (REDACTED) D.I. TBD; TBD]

Related Documents:

- A. First Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 125; 9/1/21; (REDACTED) Adv. Case No. 20-50534 [D.I. 129](#); 10/1/21]
- B. Declaration of Theresa Trzaskoma in Support of Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 132; 10/15/21; (REDACTED) D.I. TBD; TBD]
- C. Order Approving Stipulation Regarding Scheduling [Adv. Case No. 20-50534 [D.I. 135](#); 10/25/21]
- D. Declaration of Ryan Bartley in Support of Zohar Funds' Brief in Opposition to Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [Adv. Case No. 20-50534 [D.I. 138](#); 11/24/21]
- E. Notice of Completion of Briefing [Adv. Case No. 20-50534 [D.I. 145](#); 12/27/21]
- F. Order Authorizing the Filing of Portions of the Zohar Funds' Brief in Opposition to Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain

Material from the Amended Complaint Under Seal [Adv. Case No. 20-50534 [D.I. 146](#); 12/28/21]

- G. Request for Oral Argument in Connection with Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [Adv. Case No. 20-50534 [D.I. 148](#); 12/30/21]

Response Deadline: November 24, 2021

Responses Received:

- H. Zohar Funds' Brief in Opposition to Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 137; 11/24/21; (REDACTED) [D.I. 140](#); 12/6/21]
- I. Reply in Further Support of Defendants' Motion to Dismiss and Defendants' Motion to Strike Certain Material from the Amended Complaint [(SEALED) Adv. Case No. 20-50534 D.I. 144; 12/23/21; (REDACTED) D.I. TBD; TBD]

Status: This matter is scheduled to go forward with a ruling from the Court.

Dated: February 23, 2022
Wilmington, Delaware

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